

OVERVIEW OF COMPENSATION BOARD FY23 BUDGET PRIORITIES AND POLICIES

New Positions, FY23

- **New Positions:** Additional positions and funding have been approved by the 2022 General Assembly for FY23, as follows:
 - 125 new behavioral health case manager positions for local and regional jails, to be funded in some jails effective August 1, 2022, and in remaining jails effective January 1, 2023;
 - 127 new and re-funded partially-funded medical/treatment positions for local and regional jails, with some positions funded effective August 1, 2022, and others funded effective January 1, 2023.

Due to the recent impact on workload data of the pandemic and a freeze on the position reallocation policy in FY22, no constitutional officer programs have funded positions available for reallocation in FY23, except for emergency corrections positions that are reallocated annually based upon changes in jail inmate populations. Based on a significant and sustained reduction in jail populations and corrections staffing standards for jail overcrowding, a total of 65 emergency corrections positions will be removed and reallocated in FY23, effective September 1, 2022 (this date is delayed beyond the typical July 1 implementation date due to legislative delays impacting the timing of budget approvals and notifications for FY23).

- No jail expansion projects are scheduled for completion in FY23. Jails with positions allocated in FY22 for new or expanded capacity that opened in FY22 have such positions included in base funding for FY23.

Permanent Salaries, FY23

- **FY23 Salaries:** The FY23 budget provided in late June, 2022, provides the base salary amounts approved for FY23, effective July 1, 2022.

Salary Increases during FY23: Salary increases for constitutional office staff have been approved by the 2022 General Assembly for FY23, as follows:

Salary restoration funding for staff positions in Treasurers' offices has been approved by the 2022 General Assembly to re-fund the difference between the current and entry-level salaries of all underfunded positions, effective July 1, 2022;

Salary restoration funding for staff positions in Commissioners of the Revenue offices has been approved by the 2022 General Assembly to restore funding to approximately 33% of positions that are currently wholly unfunded, effective July 1, 2022;

Funding is provided to support increasing the entry-level salary of sworn deputy sheriffs and regional jail officers to \$42,000 (including increases to the new minimum for positions currently budgeted below that level), effective

August 1, 2022, prior to implementing an across-the-board salary increase, also effective August 1, 2022;

Funding is included to support a 5% across-the-board salary increase effective August 1, 2022, for all constitutional officers, regional jails and their employees, except the across-the-board increase will be 2.5% instead of 5% for any position receiving a targeted salary of 7.5% or more (impacts some sworn deputies and regional jail officers first getting an increase to \$42,000), provided that the governing authority of such employees uses such funds to support salary increases. The Compensation Board will increase the minimum and maximum salaries of most of its pay bands for constitutional officer employees by 5% effective August 1, 2022, except the minimum of the pay band for entry-level sworn deputy sheriffs and regional jail officers will remain at \$42,000 and vacant entry-level positions will not be increased across-the-board, and the minimum of the pay band for mid-level sworn deputy sheriffs and regional jail officers will increase by 2.5%);

Funding is also provided to support salary compression increases for sworn deputy sheriffs and regional jail officers of \$100 per year of service for incumbents that have served in a Compensation Board funded position for a minimum of three years of service, up to a maximum of thirty years of service, effective August 1, 2022, that will be implemented after targeted and across-the-board increases;

Funding is provided to increase the salaries of all Circuit Court Clerks and their Compensation Board funded staff positions by \$1,250 effective August 1, 2022. Applied after the 5% across-the-board increase provided for all constitutional officers and their employees noted previously, the new entry-level salary for staff in Circuit Court Clerks' offices will be \$35,053, effective August 1, 2022;

The 2020 General Assembly passed legislation and the 2022 General Assembly approved funding to increase the minimum wage from \$11.00/hour to \$12.00/hour effective January 1, 2023 (equating to a minimum salary of \$24,960). The minimum salary on the Compensation Board's classification and pay plan will be \$24,163 effective August 1, 2022, and consequently any position with a Compensation Board salary that is less than \$24,960 as of January 1, 2023 will be affected by this change, and will be increased in accordance with the approved legislation effective January 1, 2023 (FY23). The Compensation Board will increase the minimum salary on its classification and pay plan to \$24,960 at this time as well.

- **Population-Based Salary Increases for FY23:** Based on 2021 population estimates provided by the Weldon Cooper Center for Public Service, Prince George County has met a locality population-based threshold of 40,000, York County has met a locality population based threshold of 70,000 and the City of Chesapeake has met the locality population-based threshold of 250,000. As a result, the salaries of all constitutional officers serving Chesapeake, all except the Commonwealth's Attorney serving Prince George County, and the Treasurer and Commissioner of the Revenue serving York County have been adjusted to reflect an increase effective July 1, 2022, based on authorizing language contained in the 2022 General Assembly Special Session I HB30 as enrolled.

- **Automatic Regrades from Grade 7 to 8 for Sworn Deputies and Jail Officers (RBL):** Automatic re-grades from grade 7 to grade 8 for deputy sheriffs and regional jail officers occur on the first of the month on or after the one-year anniversary of the date of hire into a grade 7 position and are accompanied by a 4.56% salary increase.

Career Development Programs, FY23

The 2022 General Assembly approved additional funding to support further participation in existing career development programs in FY23 based on the unfunded qualified participation requested as of the FY22 budget request process. Salary increases for newly funded participation in FY23 is approved effective July 1, 2022 where new and accrued funding through attrition of former funded participants exists. Salary increases for newly funded participants are included in the salaries listed in the FY23 budget provided in late June, 2022.

- **Sheriffs' Career Development Programs:** The Career Development Program includes two tracks: one for sheriffs whose offices are accredited by certain law enforcement standards committees/associations and one for sheriffs achieving certification with Virginia Commonwealth University. For FY23, 51 officers have qualified for the Career Development Program and have received a 9.30% salary increase effective July 1, 2022, including 7 newly funded officers using funds from attrition of former participants. Existing funding is insufficient to fund 4 Sheriffs newly certified for FY23.
- **Master Deputy/Jail Officer Programs:** The 2013 General Assembly eliminated language that suspended the Master Deputy/Jail Officer programs and restricted participation to pre-2010 participants, and restored some previously reduced funds allowing participation at reduced levels using attrition funding. The 2017 General Assembly approved additional funding for further participation in the programs, allowing for full funding of the program for pre-2010 participating offices and for new offices certifying their participation through FY23.

For future participation by additional offices, budget language still requires that any office wishing to opt-in to participate in the Master Deputy/Jail Officer programs will need to notify the Compensation Board by July 1 that they have established the Program in their office, recognizing that additional funds will need to be requested for appropriation to the Compensation Board by the General Assembly.

- **Career Prosecutor Program:** The 2013 General Assembly eliminated language that suspended the program and restricted participation to pre-2010 participants, and restored some previously reduced funds. A total of 101 Career Prosecutors continue to be funded in the program in FY23, and 48 new Career Prosecutors are funded in the program in FY23 effective July 1, 2022 through a combination of new funding and available attrition savings.
- **Treasurers and Commissioners of the Revenue Career Development Programs:** The 2013 General Assembly eliminated language that suspended the programs and restricted participation to pre-2010 participants, and restored some previously reduced funds. A total of 68 Treasurers and 60 Commissioners continue to be funded in the programs in FY23, and 9 new

Treasurers and 10 new Commissioners are funded in the programs in FY23 effective July 1, 2022 through a combination of new funding and available attrition savings. Existing funding is insufficient to fund 3 Treasurers newly certifying for FY23.

- **Deputy Treasurers and Deputy Commissioners of the Revenue Career Development Programs:** The 2013 General Assembly eliminated language that suspended the programs and restricted participation to pre-2010 participants, and restored some previously reduced funds. A total of 182 Deputy Treasurers and 176 Deputy Commissioners continue to be funded in the programs in FY23 and 49 new Deputy Treasurers and 68 new Deputy Commissioners are funded in the program in FY23 effective July 1, 2022 through a combination of new funding and available attrition savings. Existing funding is insufficient to fund 8 Deputy Commissioners newly certified by their Officers for FY23.
- **Circuit Court Clerks' Career Development Plan:** A total of 29 Circuit Court Clerks continue to be funded in the program in FY23, and 2 new Circuit Court Clerks are funded in the program in FY23 effective July 1, 2022 using existing program funding.
- **Deputy Circuit Court Clerks Career Development Plan:** A total of 76 Deputy Circuit Court Clerks continue to be funded in the program in FY23, and 107 new Deputy Circuit Court Clerks are funded in the program in FY23 effective July 1, 2022 through a combination of new funding and available attrition savings. Existing funding is insufficient to fund 2 Deputy Circuit Court Clerks newly certified by their Clerk for FY23.

Other Funding Items, FY23

- **Technology Trust Funds:** Appropriation Act funding approved for FY23 of \$0.98 million will offset previous general fund budget reductions. The 2022 General Assembly approved restoration of this final amount for the general operating budgets of Circuit Court Clerks' offices, and the Compensation Board will no longer need to utilize a like amount of Technology Trust Funds (TTF) to offset general operating budget reductions in FY23.
- **Office Equipment Funding:** No funding has been provided for office equipment in the approved budget for Constitutional Officers for FY23. For Sheriffs and Regional Jails, requests for Livescan/upgrades previously considered by the Compensation Board through the budget approval process will now be considered on an individual basis and presented as a docket request item at the Compensation Board's regularly scheduled monthly board meetings. Sheriffs and Superintendents are reminded that the Board may consider one-time transfers of an office's accrued vacancy savings to fund its livescan/upgrade needs. (Note for Clerks: Technology Trust Funds are not a part of your base budget funds and budgeting is handled separately in the months of August and September).
- **Training Events:** Additional allowance funding is not available for the reimbursement of attendance at non-Compensation Board-sponsored training events such as VALECO and the Association's annual meeting. However, attendance at these events is considered a reimbursable expense if funds are

available in your budget. All Officers will continue to be reimbursed for the approved travel-related expenses associated with attending Compensation Board-sponsored training events such as Lawful Employment and New Officer Training.

Transfer Policy, FY23

- **Vacancy Savings:** Policies restricting transfers of accumulated vacancy funds to other budget categories for one-time use for all Constitutional Officers are not required for FY23 at this time.
 - Officers who wish to leave permanent positions vacant for the entire fiscal year and transfer the funds to temporary salaries or office expenses should submit their requests to the Compensation Board not later than July 12 for Compensation Board action on July 28. Offices requesting to transfer annual salary amounts for medical and food service contracts must provide information regarding the costs of such contracts.
- **Turnover:** Turnover funds are not currently restricted and can be used by all offices for restoration to prior base salary amounts for positions with salaries reduced due to previous across-the-board budget reductions, through April 14, 2023 and prior to the May 1 setting of the budget for a subsequent fiscal year.
- **Base transfers:** Base budget transfers of turnover funds to other budgeted categories may be considered under special circumstances in FY23. Base budget transfers within other budget categories can be requested by all offices but require Compensation Board action.
- **One-time transfers:** One-time transfers can be made by all offices as follows:
 - From Vacancy Savings, Temporary or Office Expenses to Equipment (not in the base) but transfers require Compensation Board action;
 - Between Temporary and Office Expenses or from Vacancy savings to one of these categories, not to exceed \$10,000 per month (not in the base); amounts requested for transfer above \$10,000 per month require Compensation Board action.

Other Funding Policies, FY23

- **5% Salary Amount and Transition of 5% VRS Member Contribution to Officer/Employee related to Chapter 822, 2012 Acts of Assembly (SB497 of 2012 General Assembly) – Non-Supplanting Language:** While not a matter of Compensation Board policy, during the reconvened session of the 2013 General Assembly, a Governor's amendment was approved preventing local governments from using Compensation Board funding to supplant local funds provided for the salaries of constitutional officers and their employees under the provisions of Chapter 822, 2012 Acts of Assembly, who were affected members in service on June 30, 2012. In accordance with the provisions of SB497 from the 2012 Session of the General Assembly (aka Chapter 822, 2012 Acts of Assembly), localities

provided a 5% salary increase (unless phasing-in) on July 1, 2012 to constitutional officers and their employees to offset the transition of the payment of the 5% member contribution to VRS for retirement premiums from the locality to the employee. Any Compensation Board funded salary increase funds cannot be used to offset the 5% salary increase amount (or phase-in amount) funded by the locality in association with this VRS contribution change. This language regarding non-supplanting of local funds does not apply to any salary supplement amounts provided by localities that exceed the 5% increase related to the VRS member contribution amount, nor does it apply to employees hired into a Compensation Board funded position after July 1, 2012 (or after July 1, 2010 if “plan 2” employees have been required to pay their own 5% member contribution since that time).

- **Required Data Submissions:** Language was approved by the 2014 General Assembly requiring that all law enforcement agencies receiving funding from the Compensation Board (including local and regional jails) provide the necessary data and meet the necessary data requirements to participate in the Statewide Automated Victim Information and Notification System (SAVIN), administered for the Commonwealth’s jails through the Virginia Center for Policing Innovation.
- **Constitutional Officers’ VRS Retiree Health Care Credit Premium Recovery:** Included in the Appropriation Act for FY23 is continued language requiring that 100% of the unfunded amount of the Compensation Board’s payment for the retiree health care credit premium on behalf of Constitutional Officers and their employees to the Virginia Retirement System be recovered from payments made to localities. The recovery amount is estimated at a statewide total of \$1,122,697 and the Compensation Board is appropriated base funding of just under \$1.71 million in FY23 to pay the difference between the recovery amount and the estimated premium amount of \$2.83 million in FY23. Distribution of the recovery amount for the retiree health care credit is based upon a prorated amount projected for each office based upon prior year actual costs, and does not include recoveries on behalf of Directors of Finance, Regional Jails, or localities not participating in the Virginia Retirement System. Changes in estimated costs for FY23 based upon actual FY23 costs may result in a change to each office’s estimated recovery amount. Each office’s related cost is anticipated to be recovered from the July payroll reimbursement amount prior to fund transfer to the locality.
- **Division of Risk Management Liability Insurance/Surety Bond Premium Recovery:** Included in the Appropriation Act for FY23 is continued language requiring that 100% of the amount of the Compensation Board’s payment for liability insurance and surety bond premiums on behalf of Constitutional Officers and their employees to the Division of Risk Management (DRM) be recovered from payments made to localities. Since FY17, budget language requires that DRM identify premium amounts by office, incorporating factors such as claims history, staffing, and average daily jail populations, and results in a different distribution of premium recovery amounts by office than the previous distribution based upon staffing levels. For FY23, the total VARISK general liability premium will remain unchanged, however, every office’s proportion of the total will change somewhat in FY23 based upon these factors; some offices will see an increase in their premium amounts, while other offices will see a decrease. Estimates of the FY23

recovery amounts reflecting these changes were provided on June 13, 2022. Each office's related cost is anticipated to be recovered from the July payroll reimbursement amount prior to electronic transfer of funds to the locality. However, budget language allows for recoveries to occur in more than one month if necessary.

- **Body Worn Camera Local Funding Language:** The 2019 General Assembly approved language based on a recommendation of the 2018 Body Worn Camera study work group establishing guidelines for staffing requirements by localities for Commonwealth's Attorneys' offices to provide funding to support one Assistant Commonwealth's Attorney for every 75 body worn cameras employed by local law enforcement officers, but allows for any locality to implement alternative staff funding with the consent/agreement of the Commonwealth's Attorney. Any agreed upon funding formula between the impacted Commonwealth's Attorney and the locality employing body worn cameras shall be filed with the Compensation Board by July 1 of each year and shall remain in effect unless modified by the agreement of both parties until June 30th of the following year. Additional information regarding reporting for this requirement for FY23 will be provided in a separate communication.
- **Withholding of Reimbursements:** Language in the Appropriation Act provides that the Compensation Board is authorized to withhold reimbursements due the locality for sheriff and jail expenses upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by a locality to the Department of State Police in accordance with §52-28, Code of Virginia, is missing, incomplete or incorrect. Upon subsequent notification by the Superintendent that the data is accurate, the Compensation Board shall make reimbursement of withheld funding due the locality when such corrections are made within the same fiscal year that funds have been withheld.
 - **Withholding language** was also approved by the 2015 General Assembly and amended by the 2016 General Assembly to provide that the Compensation Board is also authorized to withhold reimbursements due the locality for sheriff and jail expenses if a Sheriff fails to self-certify his or her compliance with the information transmittal requirements for the Sex Offender and Crimes Against Minors Registry. Any funds withheld shall be reimbursed once the Sheriff makes the proper certification regarding compliance when the certification is made within the same fiscal year that funds have been withheld.
- **June Payroll Shift:** Based upon action by the 2002 General Assembly, the Compensation Board's reimbursement cycle for fiscal year payroll and expenses has permanently changed. While the Compensation Board has always reimbursed expenditures one month in arrears, prior to FY02 it included an accelerated schedule in June to reimburse both May and June expenditures prior to the end of the fiscal year. In FY02, localities did not receive a reimbursement for June expenditures. Instead, June 2002 expenditures were reimbursed in the month of July 2002, or the beginning of FY03. In FY03, localities received reimbursements for the months of June through May. Since FY04, this reimbursement schedule has remained the

same, with localities receiving reimbursement payments for the months of June through May in the months of July through June. This has not changed the budget cycle for the fiscal year, however, which is still established on a fiscal year cycle, beginning July 1 and ending June 30. Because of this change, officers should keep in mind that expenditures in the month of June of each year will be reimbursed out of budgeted funds available for the following fiscal year and could result in a delay in reimbursement of expenditures in the later months of the fiscal year.

Requests for Additional Compensation Board Funding

- Due to funding limitations, requests for additional funding in any budget category are unlikely to be approved during FY23. The Compensation Board reserves the right to make future budget adjustments as may be necessary to limit expenditures in the case of reduced appropriation balances that emerge at a later date.

Exceptions

- The Compensation Board will consider exceptions to these policies upon written request of Constitutional Officers, Finance Directors or Jail Superintendents.

If you have further questions, please contact a member of the Compensation Board staff:

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Commonwealth's Attorneys, Treasurers and Finance Directors – Andy Waller – 804-225-3475, andy.waller@scb.virginia.gov;

Commissioners of the Revenue & Circuit Court Clerks – Joan Bailey – 804-225-3351, joan.bailey@scb.virginia.gov;

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Local Governments

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